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September 10, 2012

Senator Jack Brandenburg
Chair, Senate Finance Committee
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909

RE: Senate Bill 805

Dear Senator Brandenburg:

Thank you for taking Senate Bill 805 up in committee. The Grand Traverse Regional Land Conservancy strongly supports SB 805, which provides for an exemption from property tax "un-capping" for land on which a conservation easement is donated as directed by a will or trust.

In 2006, P.A. 446 created an exemption from a "pop-up" in property taxes for land encumbered by qualified conservation easements. S.B. 805 would extend this law to exempt conservation easement donations by will or trust from "un-capping".

To date, the Grand Traverse Regional Land Conservancy has protected more than 35,000 acres. Much of this acreage is protected by conservation easement – the most commonly used tool to preserve private land. The vast majority of this land is working farms and working forests – both of which support our land-based economies. PA 446 of 2006 has and will continue to enable farmers and forest land owners to pass their land onto their heirs and have it remain working farms and forests. Prior to the passage of PA 446, many of these heirs would have had to sell their family land due to the "uncapping" and upward re-adjustment of the property taxes because they simply could not afford to keep it.

Allowing this incentive to be enacted via a will or trust at the time of death will help out those landowners that can't donate their easement prior to death. One example we experienced was a landowner who very much wanted to conserve his property and place an easement on it, but was concerned whether that would disqualify him for Medicaid benefits. S.B. 805 will be most beneficial to those landowners that are land rich and cash poor, whose heirs would be most likely to have to sell the land for non-farming/forestry purposes.

Thank you for your consideration of SB 805. Should you have any questions, I can be reached at (231)929-7911.

Best regards,

Matt McDonough
Director of Land Protection